

CREDIT UNION DIVISION**HEADQUARTERS PERSONNEL –
NASHVILLE**

Doreen Abbott, Assistant Commissioner
Trevor Williams, Safety and Soundness Manager
Alica Owen, Financial Analyst

EXAMINATION PERSONNEL**WEST TENNESSEE DISTRICT**

Randall Means, CSCUES, V, Supervisor
Dana Owen, CFE, CEIC, ACISE, IV
Roselyn Miller, II

MIDDLE TENNESSEE DISTRICT

Steve Eddings, CFE, CSCUE, CEIC, V, Supervisor
Thomas Harper, CSCUE, IV
Pat Murphy, CFE, CSCUE, IV
Vickie Young, Special Examiner of Large Credit Unions

EAST TENNESSEE DISTRICT

Ron Shires, CSCUES, V, Supervisor
Bill Cave, CEIC, CSCUE, IV
Lance Hogelin, CFE, CSCUE, IV
Shane Hardin, CFE, CSCUE, IV
Dwight Ward, IV

The Credit Union Division is responsible for the supervision and examination of 118 state-chartered credit unions and one corporate credit union. Examiners from this Division perform safety and soundness examinations on all credit unions regulated by this Department in order to determine compliance with governing laws and regulations as well as evaluating each credit union's assets, liabilities, income and expenses in order to assess the solvency of the credit union. When needed, they also perform investigations of complaints filed with the Department's Consumer Resources Division.

The financial health of Tennessee's credit union industry remains strong. Collectively, the 118 natural person credit unions regulated by this Division have assets of approximately \$5.9 billion; a growth of 5.2 percent from September 2005-September 2006. Capitalization remains excellent, with net worth totaling 13.57 percent of assets; an increase over the 13.31 percent in 2005.

Delinquency and charge-offs remain manageable and the return on average assets was 1.11 percent. Individually, the institutions present a vast array of asset sizes, fields of membership and services. From the \$1.7 billion Eastman Credit Union in Kingsport to the \$50,000 Langston Bag Company Employees Savings Association in Memphis, Tennessee consumers continue to receive valuable service from safe and sound member-owned cooperatives.

Volunteer Corporate Credit Union continues to meet the financial services needs of Tennessee's natural person credit unions - both State and Federal. This \$1.0 billion corporate credit union serves over 200 member credit unions in Tennessee. Primary offerings include traditional correspondent services such as investments, item processing, security safekeeping, consulting services and web design.

The National Association of State Credit Union Supervisors (NASCUS) accredits the Credit Union Division. In 2005, we successfully completed the recertification process thus ensuring our accreditation for another five-year period.

Additionally, eligible Division examiners and supervisors have met the comprehensive criteria for NASCUS examination certifications. This Certification Program provides recognition to superior State credit union examiners and encourages continued professional development through the certification's required continuing education hours. In summary, Tennessee state-chartered credit unions are healthy. They are solid and well operated financial institutions that are insured by the National Credit Union Share Insurance Fund (NCUSIF). Tennessee credit union performance for the coming year should remain satisfactory.

CREDIT UNION DIVISION

CREDIT UNION DIVISION CORPORATE REORGANIZATIONS
(OCTOBER 1, 2005-SEPTEMBER 30, 2006)

MERGERS

- Gate Gourmet Employees Credit Union in Memphis, TN merged into Southeast Financial Federal Credit Union in Nashville, TN (March 2006)
- Holliston Mills Credit Union in Kingsport, TN merged with Kingsport Press Credit Union in Kingsport, TN (June 2006)
- Imani Federal Credit Union in Memphis, TN merged into Postal Employees Credit Union in Memphis, TN (June 2006)
- Jackson City & County Credit Union in Jackson, TN merged with Resource Federal Credit Union in Jackson, TN (September 2006)

NAME CHANGES

- American Uniform Credit Union in Cleveland, TN, changed its name to Members First Credit Union (December 2005)
- EPCO Credit Union in Shelbyville, TN changed its name to Heritage South Community Credit Union (February 2006)
- John Deere Employees Credit Union in Memphis, TN changed its name to Associated Employees Credit Union (February 2006)
- Parcel Employees Credit Union in Memphis, TN changed its name to UPS Employees Credit Union (March 2006)

CHARTER CONVERSIONS

- Covenant Health Credit Union in Knoxville, TN converted from a multi-occupational/associational field of membership to a community-based field of membership covering Knox, Blount and Sevier counties (December 2005)
- EPCO Credit Union in Shelbyville, TN converted from a multi-occupational/associational field of membership to a community-based field of membership covering the three contiguous counties of Bedford, Marshall and Rutherford, TN (February 2006)
- Electric Service Credit Union in Nashville, TN converted from a multi-occupational/associational field of membership to a community-based field of membership covering Davidson County (May 2006)

FIELD OF MEMBERSHIP EXPANSIONS

- Hardin County Hospital Employees Credit Union of Savannah, TN expanded their field of membership to include immediate family members of credit union members or of persons eligible for membership (February 2006)
- City of Memphis Credit Union of Memphis, TN added Memphis Light, Gas & Water employees to their field of membership (April 2006)
- Employees Credit Union of Nashville, TN added PaySystems of America as a Select Employee Group to their field of membership (April 2006)
- Memphis Publishing Company Employees Credit Union of Memphis, TN added specific tracts as an underserved area in Shelby County (May 2006)
- American Savings Credit Union of Memphis, TN added the employees of the City of Marion, AR to their field of membership (June 2006)
- Peoples Choice Credit Union of Union City, TN added Karl F. Ivey, Attorney-at-Law and employees of Fulton, KY to their field of membership (September 2006)
- Patriot Equity Credit Union of Jackson, TN expanded their field of membership by adding specific census tracts as an underserved area in Madison County, TN (September 2006)

